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Before You Begin

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Before You Begin

How to use the Modern Business Course and Service

ALEXANDER HAMILTON INSTITUTE
Astor Place - - - - New York

Canadian Address, C. P. R. Building, Toronto; Australian Address, 42 Hunter St., Sydney

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Before you begin

How to Use the Modern Business Course and Service of the Alexander Hamilton Institute.

Read this now

YOUR first interest, naturally, as a subscriber to the MODERN BUSINESS COURSE and SERVICE, is to learn exactly what it is and how to use it.

That is easily understood. Let us begin with the material.

When the Texts arrive at your home, take them out of the fiber box at once and set them up on the table where you can look at them. Run over the titles on the backs of the volumes, in their order so as to get an idea of the range of information covered. Then open them up one by one and take a glance at the matter within. Do this before beginning to read systematically; you will find it will be time well spent.

The quickest and best way of getting acquainted with each volume is to pick out the table of contents at the front of it and read the chapter headings, as well as some of the sectional titles below. After this, turn over to the back of the book and run thru the index. These two features will give you a very good notion of what you are to get out of the Texts and show how conveniently they may be consulted.

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Course in brief

THE Texts, as you will see, are the backbone of the Course and Service; they furnish a complete organized treatment of business principles and practice. Packed with them will come the first of the semi-monthly Talks and monthly Lectures. The Talks will guide your reading and quicken your interest in it. The Lectures will put you in touch with the special ideas and methods of some of the leading business and professional men in the country.

Before you have finished reading the first volume of the Text, a third kind of pamphlet will reach you. This will be a Problem describing a concrete business situation, such as you already or may later deal with. Its object is to test your judgment. There is a Problem for each Text.

So much for business principles and practices. As to current business happenings and the trend of future business movements you will be kept informed thru a Monthly Letter and a monthly Financial and Trade Review. Four Modern Business Reports on important phases or methods of business will be sent to you as soon as you select them from the List furnished with the Texts.

Last, a personal Service of information will be supplied in answer to all inquiries in connection with the reading of the Course.

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Why you should read in order

THE manner in which the Texts and pamphlets are arranged is not accidental. It has a sound pedagogical basis. Just as in any university or college course, the fundamental and easy subjects come first and afterward those more difficult and highly specialized. The later books and booklets consequently depend on the preceding ones for complete clearness and interest. "Advertising Principles" prepares you for "Advertising Campaigns;" "Business Organization" leads you into "Corporation Finance;" and "Plant Management" and "Accounting Principles" make it possible for you thoroly to understand "Cost Finding." The order of arrangement is therefore important. You will get the quickest and best results by following it.

One of the first things you will probably do when the Texts reach you is to look up the subjects with which you are familiar. That is a good idea.

Bear in mind, however, that the Course is designed to tell you, not what you already know, but what you don't know. If you are an accountant, of course the Texts on that subject will not tell much that is new to you. Yet, for that very reason, provided your business knowledge does not go much beyond strict accounting, the other subjects of the Course are going to open up to you whole new regions of practical possibilities. And the other readers who know little or nothing about accounting—such as many advertising managers, agents and solicitors, salesmen, purchasing agents, retail merchants and professional men—will find a great deal of useful

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information awaiting them in the accounting Texts, the information they need to make them better all-round business executives.

Ten pages of the Text a day

THE Course is laid out for two years' convenient reading. Each Text has been kept at about 300 pages so as to be covered in 30 days—ten pages a day. This can readily be done, even with the Talks and Lectures, which you may read almost as quickly as you can your daily newspaper. Answering the Problems will call for a few extra hours a month.

At the head of the Institute

THE Course and Service is under the general supervision of the head of the largest University School of Commerce in the United States, Dean Joseph French Johnson, and the sponsorship of an Advisory Council, consisting, besides Dean Johnson, of Frank A. Vanderlip, the financier; General T. Coleman du Pont, the business executive; John Hays Hammond, the eminent engineer; and Dr. Jeremiah W. Jenks, the statistician and economist.

Reason for the name

THE Institute bears the name of Alexander Hamilton because, among the honored fathers of our nation, he stood preeminent for his business sagacity.

Hamilton is perhaps chiefly remembered for his masterly statesmanship; but he was equally con-

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spicuous as soldier, financier, author, organizer and practical economist.

He was without doubt the greatest manager ever employed by the United States Government. When he became the first Secretary of the Treasury, he found a chaotic government, without money, without credit, and without organization. He secured order, provided funds and created prosperity. He investigated the industries and directed the early commercial development of the United States. "He touched the dead corpse of the public credit, and it sprang upon its feet. He smote the rock of the nation's resources and abundant streams of revenue gushed forth."

Hamilton was a great executive and systematizer; he himself worked out an accounting system for the United States Government which, with but slight modifications, remained in force for more than a hundred years.

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A Survey of Modern Business Science

All business activities may be classified under Production, Marketing, Financing and Accounting. For purposes of systematic study, each of these may be subdivided as shown above.

In addition, there are two important forces which control business—Man and Government. For that reason a discussion of the relation between "Business and the Man" and "Business and the Government" naturally forms a part of the survey of modern business. The first two and the last two assignments in the Modern Business Course and Service cover these important subjects.

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Modern Business Course and Service

in detail

Texts

The Text volumes are sufficiently described by their titles and their authors, as follows:

Business and the Man *Volume 1*

By JOSEPH FRENCH JOHNSON, D.C.S., LL.D., Dean of New York University School of Commerce, Accounts and Finance; President of the Alexander Hamilton Institute.

Economics—the Science of Business *Volume 2*

By JOSEPH FRENCH JOHNSON, D.C.S., LL.D.

Business Organization *Volume 3*

By CHARLES W. GERSTENBERG, Ph.B., LL.B., Professor of Finance, and Head of the Department of Finance, New York University School of Commerce, in collaboration with WALTER S. JOHNSON, B.A., B.C.L., Member of the Bar of the Province of Quebec; Lecturer on Railway and Constitutional Law, McGill University.

Plant Management *Volume 4*

By DEXTER S. KIMBALL, A.B., M.E., Professor of Industrial Engineering and Dean of the College of Engineering, Cornell University.

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Marketing and Merchandising *Volume 5*

Prepared by the Alexander Hamilton Institute in collaboration with RALPH STARR BUTLER, A.B., Advertising Manager of the United States Rubber Company, and JOHN B. SWINNEY, A. B., Superintendent of Merchandising, Winchester Stores.

Salesmanship and Sales Management *Volume 6*

By JOHN G. JONES, Vice-President and Director of Sales and Advertising, Alexander Hamilton Institute.

Advertising Principles *Volume 7*

By HERBERT F. DEBOWER, LL.B., Vice-President and Chairman of the Executive Committee, Alexander Hamilton Institute.

Office Administration *Volume 8*

By GEOFFREY S. CHILDS, B.C.S., Office Manager, Alexander Hamilton Institute.

Accounting Principles *Volume 9*

By FREDERIC E. REEVE, C.P.A. (N. Y.), and FREDERICK C. RUSSELL, Controller, Alexander Hamilton Institute.

Credit and Collections *Volume 10*

By DWIGHT E. BEEBE, B.L., Director of Service, Alexander Hamilton Institute, and T. VASSAR MORTON, Litt.B., Bursar, Alexander Hamilton Institute.

Business Correspondence *Volume 11*

By CHARLES W. HURD, Associate Editor, Alexander Hamilton Institute, in collaboration with BRUCE BARTON, Author and Publicist.

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Cost Finding *Volume 12*

By DEXTER S. KIMBALL, A.B., M.E., Professor of Industrial Engineering and Dean of the College of Engineering, Cornell University.

Advertising Campaigns *Volume 13*

By MAC MARTIN, President of the Mac Martin Advertising Agency.

Corporation Finance *Volume 14*

By WILLIAM H. WALKER, LL.D., Dean of Duquesne University School of Accounts, Finance and Commerce.

Transportation *Volume 15*

By EDWIN J. CLAPP, Ph.D., formerly professor of Economics, New York University

Foreign Trade and Shipping *Volume 16*

By J. ANTON DEHAAS, Ph.D., Professor of Foreign Trade, New York University.

Banking *Volume 17*

By MAJOR B. FOSTER, M.A., Assistant to the Executive Committee, Alexander Hamilton Institute, and Assistant Professor of Economics, New York University School of Commerce, in collaboration with JESSE H. RIDDLE, formerly with the Federal Reserve Bank of New York.

International Exchange *Volume 18*

Prepared by the Alexander Hamilton Institute in collaboration with E. L. STEWART PATTERSON, Superintendent of the Eastern Townships Branches, Canadian Bank of Commerce.

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Insurance *Volume 19*

Prepared by the Alexander Hamilton Institute, in collaboration with EDWARD R. HARDY, Ph.B., Lecturer on Fire Insurance, New York University School of Commerce, Assistant Manager, New York Fire Insurance Exchange; S. S. HUEBNER, Ph.D., Professor of Insurance, University of Pennsylvania; G. F. MICHELBACHER, M.A., Actuary of the National Workmen's Compensation Service Bureau; and BRUCE D. MUDGETT, Ph.D., Associate Professor of Economics, University of Minnesota.

The Stock and Produce Exchanges *Volume 20*

By ALBERT W. ATWOOD, A.B., Associate in Journalism, Columbia University.

Accounting Practice and Auditing *Volume 21*

By JOHN THOMAS MADDEN, B.C.S., C.P.A. (N.Y.), Professor of Accounting and Assistant Dean of the New York University School of Commerce.

Financial and Business Statements *Volume 22*

By LEO GREENDLINGER, M.C.S., C.P.A. (N.Y.), Secretary and Treasurer, Alexander Hamilton Institute; formerly Assistant Professor of Accounting, New York University School of Commerce.

Investments *Volume 23*

By EDWARD D. JONES, Ph.D., formerly Professor of Commerce and Industry, University of Michigan.

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By JEREMIAH W. JENKS, Ph.D., LL.D., Research Professor of Government and Public Administration, New York University, Member of Advisory Council and Chairman of the Board, Alexander Hamilton Institute, in collaboration with JOHN HAYS HAMMOND, consulting engineer and publicist.

Talks

The first object of the Talks is to guide the subscriber. Each Talk tells him exactly what he should read during the current period—first this Talk, then so many pages in the Text, and also the accompanying Lecture or Problem. But the Talk has another purpose. Its popular and practical treatment of principles and methods prepares the reader for the Text assignment and whets his appetite for it. The Texts are reasonably easy reading, if taken in order, but the Talks are still easier. The following extract from the middle of Talk No. 3 on "The Market Value of Brains" illustrates why:

Lincoln laughed. He went over to a bookcase and ran his eye over the shelves. Then he picked out a volume and slapped it down on the desk.

* * * * * *

Putney leafed over the pages of the book. "'Marginal utility!'" he snorted. "'Psychic income!' Help! Police! 'Value'—value of what? The reason why I am down on all this stuff, Dave, is because it's so confoundedly vague. Why can't they talk United States?"

"They are doing the best they can, Ralph," said Lincoln. "Read it thru and see how much more

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precise you can be. Do you know, old man, that you're as sentimental as a girl about your little old routine? You want things to stay just as they are. But they don't. Economic forces keep on working. They won't let you alone. You thought all that was necessary for your advancement was for you to make a big showing in your department. But economic forces were all the time making it necessary for the company to have an executive of a big, broad type, and you didn't fit, and so you are pocketed in your old job. But you got what you went after, didn't you? You didn't really try for the big chair. What you qualified for was a half-way-up job. If you wanted to go all the way up, you should have worked with the economic forces."

"What do you mean by economic forces?"

"Just human nature in buying and selling—the reasons why people want this and don't want that, and why this is cheap and that dear, and why wages are high or low, and so forth."

"Is that economics?"

Lectures

Every Lecture is by some well-known business executive, accountant, or publicist and reflects his experience in handling business problems. They cover many different lines of business. If any one of these men were to drop in on you for a brief business visit you would feel like locking the office door to keep everybody else out in order not to miss a syllable of the information he might give you. For example, hear Herbert S. Collins, one of the founders and officers of the United Cigar Stores Company and the United Retail Stores Corporation:

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Each day's business in a United Cigar Store is a unit by itself, but at intervals of seven, fourteen and twenty-one days and at the end of the month, the general office knows what shipments have gone to each store in every line of goods. Reports of receipts are transmitted to the general office every day and are compiled for quick reference. At three o'clock in the afternoon of every week day each store deposits its receipts in a bank designated for the purpose—a sufficient amount for the change being, of course, retained. This course is followed in every one of the 250 cities in which the Company operates stores. In compiling the records of the store, separate account is kept of sales of cigars by the piece and by the box.

Every price in United Cigar Stores is effective only after authorization by the auditing department, in order that the monthly inventories may be kept straight. These inventories are taken by crews of trained men who, after setting down the figures, have the report in each case verified by the signature of the store sales manager. These inventories are really the test of the efficiency of store sales managers as storekeepers. The system is believed to be a well-nigh perfect safeguard both against carelessness and dishonesty in store management.

Problems

"How much has the reading of the Course improved my business judgment?" You will get a very definite idea of that by putting yourself in the place of the executive pictured in each Problem and seeing how you would deal with the difficulty that confronts him. It is not obligatory upon you to submit a solution, but it will undoubtedly be worth while

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putting your understanding to the test. At the same time it will make your reading a good deal more interesting. The opening of Problem No. 3, "From Partnership to Corporation," will give you an idea why this is so:

A disagreement caused by a decided and apparently irreconcilable difference of opinion with regard to the policy of the firm has suggested a dissolution of the partnership of Easton, Parker and Hillard, for eight years engaged in the fruit preserving business in central New York State. Parker, who is twenty-nine years old and the youngest of the three, is a keen, aggressive and able business man, but his youth, as well as the fact that his financial interest is smallest, has, until recently, kept him in the background. Easton is the senior member, but advancing age has lessened his active participation in the conduct of the business. However, he is strongly opposed to certain changes in factory organization and marketing methods which Parker believes to be essential to the future success of the business. Hillard—Miss Josephine Hillard—contributed a good share of the original capital but is taking no active part in the business. In all questions that arise she sides with Easton, in whose judgment she has implicit confidence.

Easton is urged by his family to retire from active business, and Parker is anxious to be set free from a partnership relation that to him is becoming more and more irksome. It has been suggested to Parker that if he could make such arrangements with his associates as would permit him to organize a corporation and secure for himself control and management of the business, it might be to his advantage to do so.

The problem then goes on to outline the financial

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condition the business is in. The questions which come later indicate the practical value of the knowledge that can provide the answers to them:

1. What are the immediate financial demands for which Parker must provide if he takes over the partnership and forms the corporation?

2. What are Parker's available sources of funds and which of these can he use expediently in view of his own financial responsibility and the future welfare of the business?

3. Considering separately the elements of income, control, and risk, and taking into account also the past and prospective earning power of the business, could Parker prudently undertake the financing of the enterprise?

When you submit a solution, it will receive individual attention, be graded and returned to you with a memorandum of comment and a copy of the Institute's solution.

Reports

On most of the subjects, outside of your own kind of work, you require a minimum of necessary information; every page of repetition that is excluded is so much gain. But on your own subject and occasionally on other subjects you want additional, detailed data. These are given in Reports. The Reports are written by professional and trade experts and members of the Institute Staff, and cover both important business problems of general interest and technical subjects relating to Accounting,

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Sales, Office Methods, Merchandising, Production and other specialized departments of business method.

A descriptive list of the Reports will be furnished to you with the Texts. From it at any time during the two-year period of your enrolment you may choose the four Reports to which you are entitled. Other Reports are obtainable at a stated charge.

The Reports run from ten to fifty pages in length. Each one is prepared with reference to some specific method or phase of business and is the result of special investigation. The subjects cover a wide field, and every subscriber will find among them a number which are of particular interest to him.

The list of Reports includes such titles as "Preparation for the Accounting Profession," "Profit-Sharing," "Territorial Supervision of Salesmen," and "Memory Training."

Letter on General Business Conditions and Financial and Trade Review

Current information

THE Text, as we have said, gives you the principles of business. And it shows that you cannot apply them in any offhand or cut-and-dried fashion, but have to adapt them to circumstances. The most important of these circumstances, very often, are the prevailing conditions of trade and finance. How is business going to be three months from now? Will money be cheaper, or dear? Are commodity prices moving up, or down? Will the labor supply

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be ample, or short? Every executive has a vital interest in knowing these things.

Some of the needed information you will get in the financial pages of the daily newspapers, somewhat unsystematically presented and mixed with much guess and gossip. The Institute gives you all the vital business news of the moment, carefully digested and interpreted, in two kinds of monthly bulletins. One is issued at the beginning of the month and one in the middle, so that your contact is really at fortnightly intervals. The first of the bulletins is the Monthly Letter on general business conditions; the other is the Financial and Trade Review. Both Bulletins are issued by our Bureau of Business Conditions.

Carefully digested and interpreted, we said. There is seldom any difference of opinion among careful observers as to the trend of business at a given time. They may not agree as to how soon a turn is coming or how extreme it will be, but they will usually take the same views as to the broad, general tendency. It is not difficult to learn what these views are if you study the markets for yourself and familiarize yourself with the views and the reasons for them.

Unless you have had considerable business experience, you probably have not thought very closely about business conditions. Now and then, even very large and experienced houses get caught guessing when they should know. Many concerns after the war continued to expand plants and operations

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when the "signs of the times" should have indicated to them need for conservatism.

Foresight pays

AS a matter of fact it is not only the large houses that need to know about impending business changes. Every business house is concerned, and every ambitious employe with it. You, yourself, whatever your occupation or position, cannot help being in some way affected by the future course of prices, wages and profits. If you are a manufacturer, you want to know the trend of business before placing extensive orders for raw material, increasing your factory facilities, taking on new help, accepting business for future deliveries at a fixed price, borrowing extensively, or making wage contracts. If you do not realize, for example, when business is about to slow down, as it began to slow down in 1920, then you will run the risk of making a serious mistake.

At such times few people can give you dependable news or advice. Most of them will not. For one thing, it is not easy to forecast events from their early symptoms. When the first signs of a business depression appear, responsible persons hesitate to speak out. They may be afraid of precipitating the crisis. They may want to put their own affairs in order before many people know and it is too late. They may want to take advantage of their advance knowledge by selling "short" in the stock market. You cannot depend upon the newspapers to warn you. Depression is bad for them, too; it means a

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loss of advertising. They will present the bright side of things up to the last moment.

What the average man thinks about conditions of course amounts to very little. The mass of the public, including many business men, are always in the dark as to coming events. Always, at the very moment when business is going its fastest pace and it is manifest to every thoughtful observer that it cannot hold it long and that collapse is near, always at that very moment people in general are surest of prosperity. It is visibly there all around them and they simply cannot help believing the evidence of their eyes.

If you are a merchant, your case is much the same as if you were a manufacturer. Instead of buying raw material, you buy merchandise. Instead of wishing to enlarge your factory, you may wish to enlarge your store. You have borrowing problems, salary problems, employment problems. If you do not know what is likely to happen within the next few months or the year, it is more than possible that you may make a disastrous decision.

Suppose, instead, you are an employe. Would you leave an old house that was firmly established and go with another company that might not stand the strain, if you knew that hard times were coming? Would you go into business for yourself at such a time? Would you expect a large salary increase when your house might find it cheaper to dispense with your services, or would you bide your time? You see, it makes a difference. And that is entirely

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aside from the fact that a knowledge of business conditions is executive knowledge, very valuable to have.

The same considerations apply if you are a contractor, a professional man, a home builder, an investor, anybody, in short, who has to plan ahead and calculate his chances.

It is just as true, too, the other way around—when prosperity is headed in this direction instead of being about to depart. Only in that case, instead of losing money outright by neglecting to prepare yourself, you only fail to make it.

When, however, you know how to read the signs of the times, then, whether you are a manufacturer, a merchant, a doctor, a lawyer, an employe, or an investor, you buy while prices are still low and sell while they are still high, build or not, borrow or not, expand or not, according to what you know of the tendencies.

The business cycle

YOU can gain some idea as to how this knowledge is secured, if you do not already know it, by realizing that certain fundamental changes in business repeat themselves every few years. They produce what is called the business cycle. The cycle begins with a period of trade revival, culminates in a crisis, and ends with a period of depression. It may be divided into four periods:

First period: *Revival* of business from a previous period of depression. Easy credits; rising prices; optimism.

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Second period: *Prosperity.* High prices; strikes for higher wages; inefficiency; excessive borrowing.

Third period: *Liquidation.* Credit scarce; drastic slump in wholesale prices; numerous failures; pessimism.

Fourth period: *Readjustment.* Wages and retail prices lowered; increase in efficiency; debts paid by economy and retrenchment.

These periods are not always distinct. The symptoms may be mixed. Still it is generally possible for a trained observer to pick up the significant signs and from them learn how to steer his course. The task is made easier for the reader of the Financial and Trade Review by the monthly publication in it of the Institute Cycle Chart, which gives a graphic presentation of the trend of general business conditions, of the stock market and of the supply of loanable funds. The first is an index of public spending, or, what amounts to the same thing, the current total income of the people. The relative amount of loanable funds, on the other hand, is an index of future business operations, inasmuch as business expansion uniformly depends upon the availability of liquid capital. The Cycle Chart would be illuminating even without a knowledge of all of the important various elements that enter into the situation. With both sets of facts you are armed against avoidable disaster and ready for profit-making initiative.

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Both sets are covered each month in the two publications and the chart is published in one of them.

The two publications differ somewhat in character. The Monthly Letter analyzes general business conditions. It shows diagrams and tables of current prices that serve as "business barometers." The Financial and Trade Review discusses commodities, investments and foreign trade in more or less detail. The Letter contains only four pages and may be read in twenty or thirty minutes. You should make it a point to read it each month from beginning to end. The Review has eight pages, and you may wish to read thru carefully only such parts as directly affect you.

Service

Character of the Service

NO man can read the MODERN BUSINESS COURSE and SERVICE without many questions arising in his mind which he will want answered. You will have that experience. Statements will be made in the Texts and pamphlets which you would like to see amplified. Paragraphs here and there will not be clear. Conclusions will now and then be drawn with which you do not at first agree, and facts will be reported whose authenticity you may doubt. You are at liberty to submit as many questions on these and similar topics as you see fit, and the Institute will answer them fully and authoritatively. Following this line of inquiry along the paths of your own interest and from your own point of view will put you in possession of a wealth

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of information in addition to what is open to you in the Course itself.

Again, there may be a subject on which you will wish to do collateral reading. We would not encourage your doing this while you are following the Course. Your interests will almost certainly be best served by going straight thru the appointed readings without turning to left or right and thus, in defiance of all obstacles and temptations, acquiring that all-'round, executive type of knowledge and training which is the surest guarantee of exceptional success in business.

An occasion may arise, however, when you will find it necessary to enlarge your knowledge on some special subject, without, of course, sacrificing your regular reading. In that case we shall, on your request, furnish you with a bibliography of the subject, the name of one book, two or a dozen, as you require.

After you have finished the Course, and the question as to the advisability of outside reading is no longer an important one, you will undoubtedly want to resume your special studies. A bibliography on these subjects will then be of great advantage. It is consequently a good idea for you to look ahead and anticipate the expiration of the two-year period of service by securing the list of special books which you probably will wish to read later.

You will understand, of course, that the right to ask questions and receive explanations is not confined to the subject on which you happen to be doing as-

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signed reading. During the term of enrolment you may ask questions on any subject treated in the Course. You may ask about statements made in the Talks, Lectures, Problems, Reports, Monthly Letters, Financial and Trade Review as well as those in the Texts.

To explain principles

OBVIOUSLY the principles or methods most vitally interesting to you will be those you wish to apply to your own business. These will be the ones on which you will ask additional light. When you so ask, let the details of the special problem you have in mind be included, not in order that, we may advise you what to do, but in order that, knowing just what your special difficulty is, we may explain better the principles that are involved in its solution.

This attitude is what you would naturally expect of us. It is, of course, the only one that should be taken. In matters of business, off-hand advice is as dangerous as it is easy to give. Many facts and much study by one actually on the ground are generally needed to arrive at sound conclusions. You might, for example, ask us to suggest a cost-finding system for your plant, failing to realize that any recommendation which was not based on, say, at least a month's investigation of conditions in the plant would possess little or no value. That is what we would have to tell you. Like questions would be treated in a similar way. To pass intelligently upon any sales and advertising plan that you might submit would require more information concerning the

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market, the trade and its customs, the technicalities of the business and your concern's condition than you could readily supply us. In the same way, the adequacy to your needs of a given system of accounting would be something that we would not care to venture an opinion upon without having an intimate knowledge of those needs.

When, therefore, we invite you to tell us the main facts of the business problem which you have in mind when asking about the specific application of some fundamental principle, we do so believing that the possession of the facts will enable us to give you a clearer explanation than we could give without it. With our explanation at hand you will be ready to determine for yourself, as no one else can do, just what application to make. To help you help yourself, and eventually stand independent of all assistance of this kind, is really the best service that could possibly be given you.

To be sure, you may propose some problem concerning which the specialists in the Service Department may be able to offer helpful suggestions and advice. Nevertheless, as the nature of your questions cannot be foreseen, concrete answers with advice and suggestions cannot be promised. If the Institute departs from the strict letter of its undertaking, it will be only as a matter of policy, and not as a matter of contract.

Characteristic questions

BUT let us have a few practical illustrations of what the Service actually is, in practice.

One type of inquiries received by the Service De-

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partment relates to the Text. A subscriber writes: "Will you please explain more fully for me the theory of money and prices as set forth in the Text on Economics?" The explanation there given would suffice for most readers, but this subscriber is not sure that he understands it. So one of the specialists on economics in the Department writes him a letter giving more detailed information.

Another subscriber says: "I cannot fully understand the theory of land rent in connection with the cost of production of goods." As in the other case, most of the readers of the Course understand. But here and there are a few who want the explanation in greater detail, and it is given.

Again, the inquiry may have to do with a Review question at the end of one of the chapters. The subscriber may ask: "What is the correct answer to the fourth Review question at the end of Chapter 6, Volume 3?" And the answer is given.

Other kinds of inquiries are made with respect to specific business problems. A subscriber writes: "I am planning to incorporate a company with a capitalization of $50,000 to sell automobile accessories. What are the successive steps necessary in forming a new corporation of this kind?" The information required is an amplification of that given in the Text and so may be promptly furnished.

A subscriber says: "We are in the warehousing business and are planning a new cost system. What basis would you suggest for the proper distribution of our overhead?" What is wanted is not "ideas"

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for the improvement of the business, but a basis or principle for allocating costs, and this can be furnished.

A third class of inquiries is for statistical data or other substantial information. "What is the ratio of advertising expense to total sales in the average department store?" is asked and answered. "How much of the world's total output of cotton is produced by the United States?" can be answered out of available statistics. "I would like to secure a list of the manufacturers of hairpins in the United States," is another inquiry. "Can you give it or refer me to a source of information?" This question is answered. Information of the sort cannot always be obtained and cannot be promised as part of the Service, but an attempt is always made to secure it when the research or investigation required does not involve unreasonable time or expense.

Last come the questions in regard to current happenings. One subscriber wishes to know the "causes of the present slump in the ribbon market?" Another asks: "Why is there so much unemployment and why have so many manufacturers been obliged to close their plants?" Still a third inquires: "At approximately what stage of the 'business cycle' are we now?" All these can be answered because they relate to fundamental principles or current trade or financial tendencies, and the information for the proper answers is available either in our Service Department or in our Bureau of Business Conditions.

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The Department is organized under a Director of Service with a corps of staff secretaries and assistants specializing in the various phases of business, Economics, Production, Marketing, and Finance and Accounting. Each of these men has had special training and experience fitting him to deal capably with questions concerning his field.

Why You Are Reading

Product of necessity

THE preceding description of the MODERN BUSINESS COURSE and SERVICE has demonstrated to you some of its possibilities for help. You will appreciate this more fully when you understand the conditions that produced the Course and Service.

Until within the last few years most merchants and manufacturers had no need to look far beyond their own localities. Nearly all business was local or, at most, sectional and was little affected by ordinary outside conditions. The public's demand for goods usually exceeded the supply of them. Competition, in consequence, was rudimentary, as compared with its present state. Almost any shrewd and energetic man could make his mark in practical affairs without knowing very much about business in general.

This simpler mode has been changed by the extraordinary developments in manufacturing, transportation, communication, banking and credit that have been taking place during the last half century. Nowadays, except during such abnormal conditions as those occasioned by the Great War, goods can almost always be produced as fast as they can

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be marketed. Competition is a fact of immense and ever-increasing importance. It is no longer on a local scale. Every business man, no matter how remote he may be from the large centers of population and affairs, is influenced in one way or another by what goes on in these and other communities. War, legislation, industrial disputes, political and social movements, all have far-reaching effects. Great inventions, like the telephone and automobile, and great technical discoveries, like those of the synthetic dyes, start revolutions in industry. Every new and important labor-saving method that originates in one line spreads thru all; witness advertising, sales training, accounting, scientific management, office systems, and, to take our own instance, executive training.

Business, in short, is vastly more complex and hazardous than ever before and it is growing ever more so. In order, then, to be sure of making a place in the world and, what is no less important, holding it, a man must know business fundamentals and keep himself constantly informed as to all important developments.

This requires a good deal of effort, no doubt, but on the other hand, as you have already realized, there are unusual compensations in the circumstance. The very fact of there being difficulties puts a premium on the knowledge that will vanquish them. What are handicaps to the uninformed and untrained become shining opportunities for those who are prepared. Age, place, position, make little difference. One big idea lifts a young man

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out of a clerkship into an executive's chair. Another idea puts a small business on the way to industrial leadership. Still another resurrects an old, decadent house and breathes into it a new spirit of enterprise. Ideas are the raw material of success, and knowledge is the source of supply.

How business knowledge pays

IDEAS are, of course, only part of the benefits to be derived from sound business knowledge. Even the most spectacular and revolutionary ideas cannot express themselves; they need help. Knowledge provides the means. Specifically, it will give you, according to your zeal in acquiring it

—better judgment as to men and affairs
—greater ability to plan effectively
—increased confidence in guiding big deals
—power to make quicker, more accurate decisions
—greater skill in handling men
—more complete insurance against serious mistakes, and, last,
—more leisure for recreation and constructive thought.

The inadequacy of so-called "personal" experience as the sole or chief means of securing knowledge has been assumed. It is indeed almost obvious. There is too much to learn and too little time for learning. It must be acquired thru systematic measures, and for most men the only feasible way in which this can be done is thru reading.

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Someone has well said, "The birthright of every man is the combined intelligence of his predecessors."

Little to read a generation ago

TWENTY years ago the literature of business consisted of economic theory and a very few practical books on special subjects. Most of the field had not been written about. Virtually no business instruction of a higher type was to be had.

The pioneer work in broader business education was done by the University Schools of Commerce. At these schools, for the first time anywhere, one could learn the fundamental principles and current methods of production, distribution, finance and accounting.

Yet, at first, even the Schools of Commerce had few text books. The instruction was necessarily oral. The mass of business men, not being able or willing to attend, were shut out from their benefits.

It was to help these men who must learn the broader and bigger things of business by reading at home or else not learn them, perhaps, at all, that the Alexander Hamilton Institute came into existence. For them it has provided a reading course made up of information gleaned at first hand from the field of practical business, and expressed in clear and simple language suitable for the needs of practical, busy men.

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More than seeing words

THE nature and origin of the MODERN BUSINESS COURSE and SERVICE have been explained. There remains only the necessity of saying a few words upon a matter of hardly less importance —how to read it. The act of reading, as will be clear to you after a moment's reflection, is something more than just grasping the meaning of words. Reading, when it is really effective, brings all the salient facts of the subject into line with the facts of your own individual life. To be able to get the most out of your reading, you must first know what you are reading for, you must understand exactly what you expect to make of business and of life. The more clearly and definitely you picture the kind of success you want and the more thoro your plans are for achieving it, the more certainly and completely each subject will yield up its secrets to you.

This is common sense. It is only another way of saying that self-interest makes quick scholars. Only because you had continually pictured in your mind what you want to accomplish and had realized what steps were necessary to take you to it could you have come to the decision which you have taken. This constant use of the imagination, this habitual *thinking, thinking, thinking* of what you want is what makes you want it so much. This constant picturing of the way to get it is what sends you straight and fast along the way.

Now, in order to make the most of this interest and purpose, which is so tremendous an asset to you,

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you should put your reading on a sound, business basis. You should do it systematically. You should do it critically. And it goes without saying that you should do it enthusiastically, with all your heart.

What systematic reading will do

FOLLOWING the assigned order of reading on schedule will be a surer, easier, quicker method than reading at random, or reading in some other order. And it will keep your interest continually alive and increase it. That is a very vital consideration.

System begins with a plan. When will you read, and for how long at a time? You can not always govern circumstances, but you can do a lot to prevent them from always governing you. Sit down and analyze the way you spend your days. How much time do you give to this thing, how much to that; how directly does either or both lead to bigger, broader success? Don't deceive yourself. Face the facts. Put a dollar-and-cents valuation on your time and find out whether all the things you are doing are worth doing.

Visualizing your life problem in this way you will be surprised to discover how many minutes and hours you have to spare for standard, constructive reading.

The next thing is to lay out a plan. Arrange for a stated and regular period. It is much better to read half an hour daily than three or four hours Saturday or Sunday. It is better also, generally speaking, to read the first thing in the morning than the

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last thing at night. Whatever you determine, make it your system. Budget and schedule it, with an allowance for all interruptions and distractions. And fix on a minimum that you will do surely rather than a maximum that you will often fall short of.

Read critically TO make your reading productive, you will read not merely systematically, but with an active, reflective mind. The reading is for the purpose of improving your judgment, increasing your grasp of business methods and for the other objects already mentioned. Very well, then, read with that thought always before you. But you are reading also for immediate profit, when that is possible. Profit is the real acid test of your ability. "What does this point mean to me? Can I use it at once?" As you read, think constantly: "I will get an idea or a bit of information out of this very page and make it mean dollars and cents or advancement in my business today." The ultimate good that you are going to receive in the way of mental and spiritual growth should not blind you to the present opportunities that lie around you. An example or two of the way in which those opportunities grow naturally out of contact with business ideas will perhaps be helpful to you.

A young subscriber to the Course was in charge of a telephone exchange in Texas. Something he had read in one of the Text volumes led him to suggest to the management of his company a plan for estimating the available business in each territory, and

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getting it. The plan both saved and made the company much money. In reward for it the young man was taken up into the home office as the President's assistant and given a much larger salary than he had previously earned.

Another subscriber, located in Connecticut, learned one day that the directors of his company were contemplating a certain business move which seemed to him shortsighted. He ventured to suggest a different plan, involving a reorganization of the company and an increase in capitalization. He explained how additional funds could be raised. The directors adopted his plan. Then they asked him what he expected in the way of remuneration. Here was a crucial moment for him. If he had been the typical employe he might have been unduly modest and lost a part of the respect he had aroused in the minds of the owners. He had, however, the courage of his knowledge of what such service as he had rendered was worth. He asked for some of the new stock and a more important position in the enlarged company. He was given both.

Knowledge widens the horizon

OPPORTUNITIES come only to those who recognize them and are ready for them. In the cases mentioned the men made recommendations on matters outside of their immediate work. To the management that proved both their ability and their loyalty. Generally, managements are only too glad to get practical

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ideas out of their organizations and recognize the talent so manifested. It is the good fortune of exceptional workers that most men, even some of those higher up, do not see far beyond their departments. Often, therefore, any one with knowledge and vision can see ways to improve the prevailing methods.

This is why you will want to read, not only that you may get knowledge and increase your ability and judgment, but also to seize upon any ideas that you can turn to use, now and here, in your own business—whether you own it, or manage it, or only, for the present, make one of the rank-and-file in it. Ideas are stepping-stones.

Read enthusiastically

LAST of all, put your heart as much as your head into the reading. No matter where you stand, aim higher. However interesting you find this new knowledge, don't hoard it. Put it to work everywhere. Feed it into the business, of course, when you can, but also dispense it to others. Frank A. Vanderlip called us a "nation of economic illiterates." Never was there a time when sound business principles and methods are more needed. Every man who has them is under obligation to the community to spread them. Doing so honors a man in the eyes of his friends and townsmen. It brings him appreciation and friendship. It rounds out his life. It is something, then, to be enthusiastic about.

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Four Things For You

To sum up, the MODERN BUSINESS COURSE and SERVICE brings you four vital things:

First of all there is *knowledge.* You cover the whole range of business and learn every important principle. You get the essence of what most successful business men hitherto have acquired only by long and painful experience. After you have read these volumes, the biggest executive in the country can tell you nothing *fundamentally* new about business, whatever advantage he may have over you in ability and familiarity with men and methods. With this knowledge you possess the power to plan more effectively. You are able to handle bigger things with increasing confidence. You manage men with greater ease and assurance. You can do bigger work, do it faster and with fewer mistakes. That is what the knowledge you get does for you.

Then, second, you get *training.* You learn to carry whole series of facts in your mind and handle long and involved arguments without difficulty. Analysis and constructive planning become natural to you. Your decisions, in consequence, are rapid and sound. Training makes your whole work easier and opens up new avenues of possibility.

Third, as you read the Course, *vision* comes to you. No matter where you stand now, you will see farther by and by. If today you are conscious of the opportunity that surrounds you, you may be sure it is as nothing in comparison to what will appear

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when you observe with the added experience of literally thousands of successful business men.

If, on the other hand, your present outlook is restricted, the Course will bring to you a full vision of the world of opportunity.

And, last of all, from the reading you get the power to *enjoy* business. It becomes for you as for every trained, red-blooded man the greatest, the most absorbing of all games. The stakes are high, the hazard is great. But the play, after you are once out of the routine grind, is never twice alike. Everything is kaleidoscopic. Competition and the tidal ebb and flow of business are always introducing unexpected and fascinating complications.

This thrill of the unexpected is only half of the game. The other half is the joy of mastery. To read the signs of the times, to foresee tendencies, and trim your course so as to avoid danger and seize upon some great advantage is what finally makes it worth while to a man. This is the big appeal for every executive. It is the reason so many hold on up to the last moment and die in harness rather than rust out in idle comfort. Money does not explain it. It is the game.

Knowledge, training, vision and the enjoyment of your life work—these are the things you can have at the price of systematic, intelligent and interested reading.

And, now, prosperity to your purpose!

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